

ADMINISTRATIVE - INTERNAL USE ONLY

Headquarters  
**EMPLOYEE BULLETIN**

CIA RETIREMENT AND DISABILITY SYSTEM

1. All regular employees of the Central Intelligence Agency are at present covered by the provisions of the Civil Service Retirement Act. Such coverage is appropriate for those employees whose conditions, obligations, and terms of service are comparable to those of federal employees generally. However, the Agency has long been convinced that such coverage does not provide adequate retirement benefits to a relatively small group of employees whose duties are in support of Agency activities abroad hazardous to life or health, or so specialized because of security requirements as to be clearly distinguishable from normal Government employment. The Agency has been successful in obtaining legislative authority to provide such benefits to a select group of employees.

2. The Director of Central Intelligence has approved Headquarters STATINTL Regulation [REDACTED] which prescribes the rules and policies governing the administration of the Central Intelligence Agency Retirement and Disability System, as authorized by Public Law 88-643. The benefits provided to those employees who are, or who may become, eligible for participation in the System are many.

Two important examples are:

a. The CIA annuity is larger than a Civil Service annuity. In most cases, the difference is 3.75% of the individual's high-5 salary (average salary for his highest paid 5 consecutive years). The CIA formula is 2% of high-5 times years of service with a maximum of 70% of high-5. The CSC formula is 1 $\frac{1}{2}$ % of high-5 for the first 5 years, 1 3/4% for the next 5 years, and 2% of high-5 for all remaining years with a maximum of 80% of high-5.

b. The CIA System does not provide for any reduction in annuity because of age. Under the Civil Service Retirement system, all retirements below age 60 except for disability incur a penalty, that is, a reduction in annuity. The penalty is 1% of annuity for each year under age 60 to age 55, and 2% of annuity for each year below age 55. As an example, at age 50 the annuity would be reduced by 15% - 5% for the first 5 years and 10% for the second five years below age 60.

3. A unique feature of the CIA Retirement and Disability System is that eligibility for participation is not automatically determined by an individual's employment status or his current assignment. Rather, it is determined on a review of each individual's past and present assignments and his prospective career utilization by the Agency. Section 203 of the CIA Retirement and Disability Act authorizes the Director of Central Intelligence to designate employees as participants in the System upon their meeting specific criteria and conditions of employment, which are as outlined in [redacted]

4. With regard to the mechanics of the System, the reviews and recommendations regarding the designation of participants in the System will be made by Career Service officials and the CIA Retirement Board which has been established for this purpose. In initiating the System, it is planned that the records of all employees with three or more years of Agency service, and age 25 or over, who

are now on duty will be reviewed to determine their eligibility for designation as participants in the System. This review will be phased so that those employees who are now eligible for retirement, or nearly so, will be considered first. Successively lower age groups will then be reviewed. It is anticipated that all employees will have been considered by the end of Fiscal Year 1966. It should be noted that Agency employees who are now, or in the immediate future will be, eligible for retirement under the Civil Service retirement system in accordance with established Agency policy are not, by virtue of that fact alone, to be excluded from consideration under the CIA Retirement and Disability System.

5. There are four types of retirement and eligibility requirements provided under the CIA Retirement and Disability System. They are as follows:

a. Voluntary Retirement: A participant may voluntarily retire with the consent of the Director of Central Intelligence at age 50 with at least 20 years of service including at least 10 years of Agency service of which 5 years are qualifying service as defined in [REDACTED]. As stated previously, there is no reduction in annuity benefits for being under age 60.

b. Discontinued Service Retirement: The DCI may involuntarily retire a participant who is at least 50 years of age if he has at least 20 years of creditable service or who regardless of age has at least 25 years of creditable service, provided in either case that he has at least 10 years of CIA service including 5 years of qualifying service. There is no reduction in his earned annuity for being under age 60.

c. Disability Retirement: If the disabled or incapacitated participant is under age 60 and has less than twenty years of service credit toward his retirement under the System at the time he is retired, his annuity shall be computed on the assumption that he has had twenty years of creditable service,

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but the additional service credit that may accrue to a participant under this provision shall in no case exceed the difference between his age at the time of retirement and age 60. However, the annuity of any survivor shall be based on the actual service credit of such participant and shall not be increased by this provision for additional service credit.

d. Mandatory Age Retirement: Mandatory retirement age for employees in GS-18 or higher grades is age 65; for employees in grades below GS-18, it is 60. The Director may extend the individual's service for a period up to five years if he determines it to be in the public interest. He may also recall an annuitant to active service if he determines it to be in the public interest.